



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Thomas A. Willis, Esq.  
Andrew Harris Werbrock, Esq.  
Remchó, Johansen & Purcell, LLP  
201 Dolores Ave.  
San Leandro, CA 94577

**MAY 26 2017**

RE: MURs 7079 and 7121  
Eggman for Congress, *et al.*

Dear Messrs. Willis and Werbrock:

On June 13, 2016, the Federal Election Commission ("Commission") notified your clients, Michael Eggman and Eggman for Congress and Jay Petterson in his official capacity as treasurer ("Committee"), of the complaint in MUR 7079, which alleged violations of certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). On August 15, 2016, the Commission notified Michael Eggman and the Committee of the complaint in MUR 7121, which also alleged violations of certain sections of the Act.

On May 11, 2017, the Commission found, on the basis of the information in the complaints, and information provided by your clients, that there is no reason to believe that Michael Eggman violated 52 U.S.C. §§ 30122 or 11 C.F.R. § 110.4(b). On that same date, the Commission found no reason to believe that Eggman for Congress and Jay Petterson in his official and individual capacity as treasurer violated 52 U.S.C. §§ 30102(e)(3)(B), 30104, 30116(f), or 30122 or 11 C.F.R. § 110.4(b). Accordingly, the Commission closed its files in these matters.

Documents related to these cases will be placed on the public record within 30 days. See Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016). The Factual and Legal Analysis, which more fully explains the Commission's findings, are enclosed.

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If you have any questions, please contact Marianne Abely, the attorney assigned to these matters, at (202) 694-1650.

Sincerely,



Mark Allen  
Assistant General Counsel

Enclosures  
Factual and Legal Analyses (2)

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1 **FEDERAL ELECTION COMMISSION**  
2  
3 **FACTUAL AND LEGAL ANALYSIS**  
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5 **RESPONDENTS:**

MUR: 7079

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7	Ami Bera for Congress and Jennifer May	Amerish "Ami" Bera
8	in her official capacity as treasurer	Babulal Bera
9	DelBene for Congress and Jay Patterson	Kanta Bera
10	in his official capacity as treasurer	Janine Bera
11	Eggman for Congress and Jay Petterson	Suzan DelBene
12	in his official capacity as treasurer	Michael Eggman
13	Stacey Lawson for Congress and Kevin Heneghan	Stacey Lawson
14	in his official capacity	Jon Hulburd
15	Hulburd for Congress and David Beckham	Patrick Murphy
16	in his official capacity as treasurer	Thomas P. Murphy, Jr.
17	Friends of Patrick Murphy and Brian Foucart	Leslie Murphy
18	in his official capacity as treasurer	Scott Peters
19	Scott Peters for Congress and Nicholas R. Femia	Lynn Gorguze
20	in his official capacity as treasurer	Gloria Gorguze
21	Sangisetty for Congress LLC and Kurt Fakier	Koti Sangisetty
22	in his official capacity	Aruna Sangisetty
23	Friends of Steve Pougnet and Kinde Durkee	Ravi Sangisetty
24	in her official capacity as treasurer	Stephen P. Pougnet
25	Kevin Strouse for Congress and Ronald Fader	Kevin Strouse
26	in his official capacity as treasurer	Robert Strouse
27	Dan Roberti for Congress and Daniel McClutchy	Daniel Francis Roberti
28	in his official capacity as treasurer	Dina Titus
29	Dr. Raul Ruiz for Congress and John Pinkney	Dr. Raul Ruiz
30	in his official capacity as treasurer	Loretta Sanchez
31	Titus for Congress and Jennifer May	Manan Trevidi
32	in her official capacity as treasurer	
33	Trivedi for Congress and Bret Binder	
34	in his official capacity as treasurer	
35	Committee to Re-elect Loretta Sanchez and Katharine Meyer Borst	
36	in her official capacity as treasurer	

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38 **I. INTRODUCTION**

39 This matter was generated by a Complaint filed with the Federal Election Commission  
40 (the "Commission") by The Foundation for Accountability and Civic Trust, alleging violations  
41 of the Federal Election Campaign Act, as amended (the "Act"). The Complaint alleges that the

1 Respondents, which include a number of congressional candidates, their campaign committees,  
2 and family members, violated the Act and Commission regulations by participating in schemes  
3 to make contributions in the names of others for the purpose of evading the Act's individual  
4 contribution limits.<sup>1</sup>

5 **II. FACTUAL AND LEGAL ANALYSIS**

6 **A. Facts**

7 The Complainant alleges that, between 2009 and 2015, Congressional candidate Amerish  
8 "Ami" Bera, along with his wife and parents, orchestrated a donor-swapping scheme involving  
9 the reimbursement of contributions made by fourteen other congressional candidates and their  
10 families.<sup>2</sup> According to the Complaint, during the 2010, 2012, 2014, and 2016 election cycles,  
11 candidate Ami Bera, his wife, Janine Bera, and his parents, Babulal and Kanta Bera, improperly  
12 reimbursed contributions totaling over \$200,000 for the purpose of magnifying the value of the

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<sup>1</sup> MUR 7079 Compl. at 1

<sup>2</sup> *Id.* While the Complaint alleges that fourteen candidates, their families, and campaign committees participated in this scheme with members of the Bera family, it provides examples of only four of these donor swaps. A review of the candidate committees' disclosure reports provided information regarding contributions made by all 14 of the candidates, their families, or campaign committees to the Bera Committee and Bera family contributions to the 14 campaign committees. And, although most of the contributions at issue in this matter were made by individuals, two were made by committees, Eggman for Congress and Dr. Raul Ruiz for Congress.

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1 participants' contributions "beyond lawful contribution limits."<sup>3</sup> This scheme allegedly involved  
2 the Beras directing the "network" to make contributions to the Bera Committee in exchange for  
3 members of the Bera family contributing to the 14 congressional candidates.<sup>4</sup> The Complaint  
4 asserts that the Bera family unlawfully reimbursed the network's contributions by making  
5 "substantially equivalent contributions" to the participating congressional candidates.<sup>5</sup>

6 Respondents deny the allegations and assert that the Complainant fails to present any  
7 facts demonstrating that they were involved in an unlawful scheme involving the reimbursement  
8 of contributions, and the Commission has previously determined that the donor activity as  
9 described in the Complaint is permissible.<sup>6</sup> Several of the Respondents also note that the five-

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<sup>3</sup> MUR 7079 Compl. at 1-2. According to the Complaint, the "complex family shell game" described in this matter is similar to the reimbursement scheme for which Babulal Bera pleaded guilty and was sentenced to serve a year and a day in prison. *Id.* at 1; *see also* Judgment, *United States v. Babulal Bera*, No. 2:16-cr-00097 (E.D. Cal. Aug. 18, 2016). In that criminal matter, Babulal Bera admitted that he violated 52 U.S.C. §§ 30116(a)(1)(A) and 30122 by reimbursing over 130 contributions made to the Bera Committee using personal and company funds. *See* Criminal Information, *United States v. Babulal Bera*, Crim. No. 5-16-0097 (E.D. Cal. filed May 9, 2016); Plea Agreement, Ex. A, Factual Basis for Plea, *United States v. Babulal Bera*, Crim. No. 5-16-0097 (E.D. Cal. filed May 10, 2016). In a separate matter, MUR 7072, which related to the reimbursement scheme at issue in the criminal case, in light of Babulal Bera's sentencing in the criminal matter, his advanced age, and the fact that most of the activity was beyond the statute of limitations, the Commission dismissed the matter and admonished Babulal Bera. *See* Babulal Bera Factual and Legal Analysis, MUR 7072; Commission Certification, MUR 7072 (Babulal Bera, et al.) (Dec. 9, 2016). The available information, however, does not indicate that any of the contributions at issue in MUR 7079 were part of the criminal activity at issue in MUR 7072.

<sup>4</sup> MUR 7079 Compl. at 2-3. The candidates are Suzan DelBene, Michael Eggman, Jon Hulburd, Stacey Lawson, Patrick Murphy, Scott Peters, Steve Pougnet, Dan Roberti, Dr. Raul Ruiz, Loretta Sanchez, Ravi Sangisetty, Kevin Strouse, Dina Titus, and Manan Trevidi.

<sup>5</sup> MUR 7079 Compl. at 3-4. Specific examples of this alleged scheme provided in the Complaint involve contributions from candidate Ravi Sangisetty's parents, Aruna and Koti Sangisetty, in 2010; contributions from candidate Patrick Murphy's father, Thomas P. Murphy, Jr., in 2011; contributions from candidate Scott Peters, his wife and his mother-in-law in 2012; and, contributions from candidate Patrick Murphy's mother, Leslie Murphy, in 2013. *See Id.* at 4-6.

<sup>6</sup> *See* Loretta Sanchez, Committee to Re-elect Loretta Sanchez Resp. at 1-3; Sangisetty for Congress LLC Resp. at 1-2; Koti, Aruna and Ravi Sangisetty Resp. at 1-2; Michael Eggman, Eggman for Congress Resp. at 2; Ami and Janine Bera, Bera Committee Joint Resp. at 2; Babulal and Kanta Bera Resp. at 2; Scott Peters, Scott Peters for Congress, Lynn Gorguze, Gloria Gorguze Joint Resp. at 1; Suzan DelBene, DelBene for Congress, Patrick Murphy, Murphy Committee, Thomas P. Murphy, Jr., Leslie Murphy, Raul Ruiz, Dr. Paul Ruiz for Congress, Kevin Strouse; Dina Titus, Titus for Congress, Dan Roberti, Dan Roberti for Congress Joint Resp. at 1-4.

1 year statute of limitations ("SOL") has expired for some of the violations alleged in the  
2 Complaint.<sup>7</sup>

3 **B. Analysis**

4 The Act limits how much an individual can contribute to a federal candidate and his or  
5 her principal campaign committee.<sup>8</sup> The Act and Commission regulations provide that no person  
6 shall make a contribution in the name of another person or knowingly permit his or her name to  
7 be used to effect such a contribution.<sup>9</sup> In addition, "no person shall . . . knowingly help or assist  
8 any person in making a contribution in the name of another."<sup>10</sup> Candidates, their committees,  
9 and their agents are also prohibited from knowingly accepting contributions that exceed the  
10 Act's limits and contributions made in the name of another.<sup>11</sup>

11 As argued in the Response, the available information does not support the Complainant's  
12 allegations that the contributions identified in the Complaint constitute contributions in the name  
13 of another. The Complaint, which asserts that fourteen congressional candidates, their families,  
14 and campaign committees participated with the Beras in the alleged scheme, specifically  
15 describes a series of contributions made by four of those candidates and their relatives, including

<sup>7</sup> Sangisetty for Congress LLC Resp. at 2; Koti, Aruna and Ravi Sangisetty Resp. at 2. As of the date of this report, the activity from 2009, 2010 and 2011 was beyond the SOL, representing approximately 35% of the overall amount at issue in MUR 7079.

<sup>8</sup> 52 U.S.C. § 30116(a). During the 2010, 2012, 2014 and 2016 election cycles, an individual could contribute a maximum of \$2,400, \$2,500, \$2,600 and \$2,700, respectively, to a candidate per election. The Act permits an authorized committee to contribute up to \$2,000 to the authorized committee of another candidate. 52 U.S.C. § 30102(e)(3)(B).

<sup>9</sup> 52 U.S.C. § 30122; 11 C.F.R. § 110.4(b)(1)(i), (ii).

<sup>10</sup> See 11 C.F.R. § 110.4(b)(1)(iii).

<sup>11</sup> See 52 U.S.C. §§ 30116(f) and 30122; 11 C.F.R. §§ 110.4(b)(1)(iv). Commission regulations also require treasurers of political committees to examine all contributions for evidence of illegality. Should a treasurer determine that a contribution is illegal, including that a contribution was made in the name of another, the treasurer shall refund the contribution to the contributor within 30 days of the date on which the illegality was discovered. 11 C.F.R. § 103.3(b).



1 **FEDERAL ELECTION COMMISSION**

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3 **FACTUAL AND LEGAL ANALYSIS**

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5 RESPONDENTS: Eggman for Congress and Jay Petterson MUR 7121  
6 in his official capacity as treasurer  
7 Michael Eggman  
8 Ami Bera for Congress and Jennifer May  
9 in her official capacity as treasurer  
10 Babulal Bera  
11

12 **I. INTRODUCTION**

13 This matter was generated by a Complaint filed with the Federal Election Commission  
14 (the "Commission") by The Foundation for Accountability and Civic Trust, alleging violations  
15 of the Federal Election Campaign Act, as amended (the "Act"), by Eggman for Congress and Jay  
16 Petterson in his official capacity as treasurer, Ami Bera for Congress and Jennifer May in her  
17 official capacity as treasurer, and Babulal Bera.

18 **II. FACTUAL AND LEGAL ANALYSIS**

19 **A. Facts**

20 The Complainant alleges that Respondents violated the Act and Commission regulations  
21 by participating in schemes to make contributions in the names of others for the purpose of  
22 evading the Act's individual contribution limits.<sup>1</sup> The Complaint asserts that, in June 2013,  
23 congressional candidate Michael Eggman and his principal campaign committee, Eggman for  
24 Congress, participated in a "straw donor scheme" involving the reimbursement of one  
25 contribution by Babulal Bera.<sup>2</sup>

26 According to the Complaint, candidate Michael Eggman knowingly participated in this  
27 scheme with the Bera family and the Bera Committee to assist Babulal Bera to evade the Act's

<sup>1</sup> MUR 7121, Compl. at 1-2.

<sup>2</sup> *Id.* at 1-3.

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1 individual contribution limits.<sup>3</sup> The Complaint states that, in June 2013, Michael Eggman  
2 directed Eggman for Congress to make a \$1,000 contribution to the Bera Committee and ten  
3 days later, Babulal Bera contributed \$1,000 to Eggman for Congress.<sup>4</sup> Based on the close timing  
4 between the two contributions and the fact that Eggman for Congress never contributed to  
5 another candidate committee, the Complainant contends that the Respondents entered into an  
6 agreement to have Eggman for Congress' contribution to the Bera Committee reimbursed by  
7 Babulal Bera.<sup>5</sup> The Complaint further alleges that Eggman and Eggman for Congress knowingly  
8 accepted an illegal reimbursed contribution, and consequently filed inaccurate disclosure reports  
9 with the Commission.<sup>6</sup>

10 The Respondents deny the allegations, asserting that the Complaint fails to present any  
11 facts demonstrating that they were involved in an unlawful scheme involving the reimbursement  
12 of contributions and that the Commission has previously determined that the donor activity as  
13 described in the Complaint is permissible.<sup>7</sup>

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<sup>3</sup> MUR 7121, Compl. at 2-4. The Complaint also references Babulal Bera's 2016 conviction for reimbursing federal contributions and asserts that Eggman and his campaign committee, Eggman for Congress, "were integral" in that "illegal straw donor scheme." *Id.* at 1. Babulal Bera pleaded guilty to violating 52 U.S.C. §§ 30116(a)(1)(A) and 30122 by reimbursing over 130 contributions made to the Bera Committee using personal and company funds and was sentenced to serve a year and a day in prison. *See* Judgment, *United States v. Babulal Bera*, No. 2:16-cr-00097 (E.D. Cal. Aug. 18, 2016); *see also* Criminal Information, *United States v. Babulal Bera*, Crim. No. 5-16-0097 (E.D. Cal. filed May 9, 2016); Plea Agreement, Ex. A, Factual Basis for Plea, *United States v. Babulal Bera*, Crim. No. 5-16-0097 (E.D. Cal. filed May 10, 2016). In a separate matter, MUR 7072, which related to the reimbursement scheme at issue in the criminal case, in light of Babulal Bera's sentencing in the criminal matter, his advanced age, and the fact that most of the activity was beyond the statute of limitations, the Commission dismissed the matter and admonished Babulal Bera. *See* Babulal Bera Factual and Legal Analysis, MUR 7072; Commission Certification, MUR 7072 (Babulal Bera, et al.) (Dec. 9, 2016). The available information, however, does not indicate that any of the contributions at issue in MUR 7121 were part of the criminal activity at issue in MUR 7072.

<sup>4</sup> *Id.* at 2-3.

<sup>5</sup> *Id.* at 1-4.

<sup>6</sup> *Id.* at 3-4.

<sup>7</sup> *See* Michael Eggman and Eggman for Congress Joint Resp. at 2, 4-5, Attachment A (M. Eggman Declaration, Oct. 4, 2016); Babulal Bera Resp. at 1-2; Ami Bera and Bera Committee Joint Resp. at 2-3.

1           **B.     Analysis**

2           The Act limits how much an individual can contribute to a federal candidate and his or  
3 her principal campaign committee.<sup>8</sup> The Act and Commission regulations provide that no person  
4 shall make a contribution in the name of another person or knowingly permit his or her name to  
5 be used to effect such a contribution.<sup>9</sup> In addition, “no person shall . . . knowingly help or assist  
6 any person in making a contribution in the name of another.”<sup>10</sup> Candidates, their committees,  
7 and their agents are also prohibited from knowingly accepting contributions that exceed the  
8 Act’s limits and contributions made in the name of another.<sup>11</sup> Finally, candidate committees are  
9 required to file reports of receipts and disbursements in accordance with the Act and  
10 Commission regulations.<sup>12</sup>

11           As argued in the Response, the available information does not support the Complainant’s  
12 allegations that the contributions identified in this matter constitute contributions in the name of  
13 another. The Complaint presents no information that Eggman for Congress did not use its own

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<sup>8</sup> 52 U.S.C. § 30116(a). During the 2014 election cycle, an individual could contribute a maximum of \$2,600 to a candidate per election. The Act permits an authorized committee to contribute up to \$2,000 to the authorized committee of another candidate. 52 U.S.C. § 30102(e)(3)(B).

<sup>9</sup> 52 U.S.C. § 30122; 11 C.F.R. § 110.4(b)(1)(i), (ii).

<sup>10</sup> See 11 C.F.R. § 110.4(b)(1)(iii).

<sup>11</sup> See 52 U.S.C. §§ 30116(f) and 30122; 11 C.F.R. §§ 110.4(b)(1)(iv). Commission regulations also require treasurers of political committees to examine all contributions for evidence of illegality. Should a treasurer determine that a contribution is illegal, including that a contribution was made in the name of another, the treasurer shall refund the contribution to the contributor within 30 days of the date on which the illegality was discovered. 11 C.F.R. § 103.3(b).

<sup>12</sup> See 52 U.S.C. § 30104(a)(2); 11 C.F.R. § 104.14(d) (each treasurer of a political committee shall be responsible for the timely, complete and accurate filing of disclosure reports.)

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1 funds to contribute to the Bera Committee or that Babulal Bera's contribution to Eggman for  
2 Congress was not made with his personal funds.<sup>13</sup>

3 Accordingly, the Commission finds no reason to believe that Michael Eggman violated  
4 52 U.S.C. §§ 30122 or 11 C.F.R. § 110.4(b); Eggman for Congress and Jay Pettersen in his  
5 official or individual capacity as treasurer violated 52 U.S.C. §§ 30102(e)(3)(B) or 30104(b) or  
6 30116(f), or 30122, or 11 C.F.R. § 110.4(b); Ami Bera for Congress and Jennifer May in her  
7 official capacity as treasurer violated 52 U.S.C. §§ 30116(f) or 30122, or 11 C.F.R. § 110.4(b);  
8 or that Babulal Bera violated 52 U.S.C. §§ 30116(a) or 30122, or 11 C.F.R. § 110.4(b).

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<sup>13</sup> Accordingly, the available information does not indicate any reporting violations on the part of Eggman for Congress or its treasurer in his official or individual capacity.

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